

Message Text

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PASS TO OED/MEPD AND OIM/BREWER

E.O. 11652: N/A
TAGS: BENC, VE
SUBJ: MAJOR PROJECT: ZULIA COAL DEVELOPMENT

REF: CARACAS 76-14047; CARACAS 76-14461

1. PROJECT NAME: PROGRAMA CARBONIFERO DEL ZULIA; CORPORACION DE DESSARROLLO DE LA REGION ZULIANA (CORPOZULIA), MARACAIBO, ZULIA STATE.

2. BRIEF DESCRIPTION: CORPOZULIA IS NOW PREPARING TO LAUNCH THE NEXT PHASE OF ITS COAL DEVELOPMENT PROGRAM AND WISHES TO MAKE CONTACT WITH CONSULTANTS WITH PROVEN EXPERTISE IN THE OPERATION OF OPEN PIT MINES. CORPOZULIA OFFICIALS HAVE STATED THAT THEY SPECIFICALLY WANT TO DEAL WITH EXPERIENCED CONSULTING FIRMS THAT NEITHER MANUFACTURE NOR SELL COAL MINING EQUIPMENT. INITIAL DISCUSSIONS WILL COVER ONLY THE CONTRACT FOR DRAWING UP SPECIFICATIONS FOR THE EQUIPMENT TO BE USED IN THE OPEN PIT OPERATION. HOWEVER, THE FIRM THAT DRAWS THESE SPECIFICATIONS WILL BE THE FAVORED CANDIDATE TO RECEIVE THE FINAL, LONG-TERM MANAGEMENT CONTRACT TO RUN THE MINE WHEN THIS BID IS LET, ACCORDING TO THIS SOURCE.

3. EXECUTING AGENCY/PROJECT MANAGER:
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ING. JOSE LUIS JOVES
COORDINATOR, COAL PROJECT
CORPOZULIA
EDIFICIO CAJA POPULAR DE OCCIDENTE
AVENIDA 4 (ANTES BELLA VISTA)
APARTADO 1153
MARACAIBO, ZULIA

TELEPHONE: (061) 83191/94

4. STATUS OF PROJECT/BID DATES: CORPOZULIA WISHES TO START WORK ON MINE IN 1978 AND TO BE PRODUCING COAL BY 1980. EISENBAU ESSEN IS EXPECTED TO COMPLETE THE FEASIBILITY STUDY ON THE OPEN PIT MINE AND ASSOCIATED FACILITIES SUCH AS THE COAL-HANDLING RAILROAD, BY MID SUMMER (JULY-AUGUST). THEREFORE, INTERESTED CONSULTANTS SHOULD MAKE CONTACT ASAP WITH CORPOZULIA IN ORDER TO MAKE AN EFFECTIVE PRESENTATION BEFORE CORPOZULIA OFFICIALS REACH THE DECISION STAGE.

5. ESTIMATED PROJECT COST/FOREIGN CONTENT: INITIAL INVESTMENT IS FIRST PHASE OPEN PIT MINING ONLY HAS BEEN ESTIMATED AT 15.5 MILLION DOLLARS. TOTAL INVESTMENT IN COAL PROJECT ESTIMATED AT OVER 560 MILLION DOLLARS BY 1981.

6. COMPETITIVE FACTORS: AS NOTED, THE GERMAN FIRM, EISENBAU ESSEN GMBH HAS BEEN SUPPLYING TECHNICAL ASSISTANCE ON THIS PROJECT. ADDITIONALLY, FRENCH CONSULTANTS HAVE BEEN AWARDED A STUDY TO DETERMINE THE OPTIMUM MIX OF ZULIAN AND IMPORTED COAL THAT WILL BE NEEDED FOR THE STEEL PLANT. (ZULIA COAL IS HIGHLY VOLATILE, APPARENTLY SIMILAR TO FRENCH COAL SEAMS IN THIS RESPECT). HOWEVER, ING. JOVES, THE NEWLY APPOINTED COORDINATOR FOR THE COAL PROJECT, IS US EDUCATED (COLORADO SCHOOL OF MINES AND THE UNIVERSITY OF ARIZONA) AND IS CONSEQUENTLY BOTH FAMILIAR WITH THE FAVORABLY DISPOSED TOWARD US FIRMS AND TECHNOLOGY. HE HAS EXPRESSED A STRONG INTEREST IN HAVING ADEQUATE US PARTICIPATION IN THE BIDDING ON THIS PROJECT.

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7. INFORMATION PROVIDED BY JAMES CASON, US CONSUL, MARACAIBO, REPRESENTATIVES OF INTERESTED FIRMS MAY WISH TO CONTACT CASON WHEN VISITING MARACAIBO FOR UPDATED INFORMATION ON THIS PROJECT.

8. ADDED COMMENT: MR. NEALL W. HUMPHREY, RESIDENT SALES REPRESENTATIVE OF THE US EQUIPMENT SUPPLIER, BUCYRUS-ERIE, HAS EXPRESSED THE DESIRE TO ARRANGE FOR A TOUR OF US OPEN PIT MINES FOR CORPOZULIA OFFICIALS. WHILE THEIR INTEREST WILL BE IN SHOWING BUCYRUS ERIE MINING MACHINERY IN ACTION, A US FIRM NOW OPERATING OPEN PIT MINES (I.E., MORRISON-KNUDSEN, DRAVO, PLUS PEABODY, WHICH WAS SPECIFICALLY MENTIONED BY JOVES,) MAY WISH TO COORDINATE EFFORTS WITH B-E TO PROVIDE AN EXPANDED TOUR OF US FACILITIES.
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Decaption Note:
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